

**BEFORE THE
PUBLIC SERVICE COMMISSION OF UTAH**

IN THE MATTER OF THE APPLICATION OF PACIFICORP FOR APPROVAL OF ITS PROPOSED ELECTRIC RATE SCHEDULES & ELECTRIC SERVICE REGULATIONS	DOCKET NO. 06-035-21 STIPULATION REGARDING SCHEDULE AND REVENUE REQUIREMENT ISSUES
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1. This Stipulation (“Stipulation”) is entered into by and among the parties whose signatures appear on the signature pages hereof (collectively referred to herein as the “Parties”).

I. INTRODUCTION

2. The terms and conditions of this Stipulation are set forth herein. The Parties represent that this Stipulation is in the public interest and recommend that the Public Service Commission (the “Commission”) approve the Stipulation and all of its terms and conditions.

II. BACKGROUND

3. On March 7, 2006, PacifiCorp filed an application, together with revenue requirement, cost of service, rate spread and rate design testimony, for a rate increase of \$197.2 million based on a 12 month forecast test period ending September 30, 2007.

4. On April 4, 2006, the Commission issued an order establishing the schedule for this proceeding. On April 18, 2006, and May 1, 2006, the Commission issued orders amending the schedule for test period testimony and hearings.

5. Since PacifiCorp's general rate case filing, the Parties have engaged in settlement discussions regarding test period and revenue requirement issues, including discussions regarding timing and audit issues. The settlement conferences were open to all parties.

6. As a result of the settlement conferences, the Parties to this Stipulation have reached the agreement set forth herein.

III. TERMS OF STIPULATION

7. Schedule. The Parties agree that the schedule in this proceeding should be modified as follows:

<u>Event</u>	<u>Current Date</u>	<u>New Date</u>
TEST PERIOD		
Intervenor Direct Testimony	May 5, 2006	June 9, 2006
All parties Rebuttal Testimony	May 19, 2006	June 30, 2006
All parties Surrebuttal Testimony	May 26, 2006	July 7, 2006
Hearings	May 31-June 1, 2006	July 17-18, 2006
REVENUE REQUIREMENT		
Intervenor Direct Testimony	August 9, 2006	September 20, 2006
All Parties Rebuttal Testimony	September 25, 2006	November 6, 2006
Conference to Schedule Witness Appearances	October 12, 2006	November 17, 2006
All Parties Surrebuttal Testimony and Issue Lists	October 16, 2006	November 27, 2006
Parties Joint Position Exhibit	October 19, 2006	November 30, 2006

Hearings	October 23- November 3, 2006	December 6-15, 2006
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Public Witness Day	October 25, 2006	December 6, 2006
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COST OF SERVICE/RATE DESIGN

Intervenor Direct Testimony	August 31, 2006	October 13, 2006
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All Parties Rebuttal Testimony	October 6, 2006	November 17, 2006
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All Parties Surrebuttal Testimony	October 20, 2006	December 1, 2006
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Hearings	November 8-9, 2006	December 18-19, 2006
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8. Discovery. The Parties agree that the schedule for discovery in this proceeding should be modified as follows:

Regarding data requests served on or after June 9, 2006 regarding test period, parties will respond within seven (7) business days. Regarding data requests served on or after June 30, 2006 regarding test period, parties will respond within three (3) business days. Regarding data requests served on or after November 6, 2006 regarding revenue requirement and November 17, 2006 regarding cost of service and rate design, parties will respond within eight (8) business days. Regarding data requests served on or after November 27, 2006 regarding revenue requirement, on or after December 1, 2006 regarding cost of service and rate design, parties will respond within five (5) business days. Regarding data requests served prior to June 9, 2006 regarding test period, November 6, 2006 regarding revenue requirement and November 17, 2006, regarding cost of service and rate design, parties will respond within 14 calendar days.

9. Rate Effective Date. Pursuant to Commitment U 27 of the commitments approved by the Commission in its January 27, 2006, Order in Docket No. 03-05-54, the rate effective date in this case has been extended to December 11, 2006. However, under the schedule agreed to in this Stipulation, a Commission order may not be issued in time to allow the implementation of new tariffs by December 11, 2006. Therefore, the Parties agree that the rates approved in this case will become effective for service provided on and after December 11, 2006, but will begin to be collected from customers no later than fifteen (15) days after the Commission's final order approving rates in this proceeding. The Parties agree that the Company will be able to recover through a surcharge on customer bills the amounts due from customers for service during the period from December 11, 2006, to the date on which the new approved rates begin to be collected from customers. The amount of the surcharge for each rate schedule will be determined based on the rates approved by the Commission for the rate schedule multiplied by the billing determinants projected by the Company in this case for that rate schedule during the period from December 11, 2006 to the date on which the new approved rates begin to be collected from customers. The surcharge rate for each rate schedule will be designed as a percentage of the total customer bill in order to collect the surcharge amount for that rate schedule over a 12 month period.

10. Obligations of the Parties. The Parties agree that their obligations under this Stipulation are subject to the Commission's approval of this Stipulation.

11. Public Interest, Recommendation and Support. The Parties agree that this Stipulation is in the public interest and that all of its terms and conditions, considered together as a whole, will produce fair, just and reasonable results. The Parties recommend that the

Commission approve and adopt this Stipulation in its entirety.

12. Reservation of Right to Withdraw from Stipulation. In the event the Commission rejects any or all of this Stipulation, or imposes any additional material conditions on approval of this Stipulation, or in the event the Commission's approval of this Stipulation is rejected or conditioned in whole or in part by an appellate court, each Party reserves the right, upon written notice to the Commission and the other Parties to this proceeding delivered no later than five (5) business days after the issuance date of the applicable Commission or court order, to withdraw from this Stipulation. Prior to that election, the Parties agree to meet and discuss the Commission's order or court's decision. In the event that no new agreement is reached, no Party shall be bound or prejudiced by the terms of this Stipulation, and each Party shall be entitled to undertake any steps it deems appropriate.

13. Public Interest. The Parties agree that this Stipulation is in the public interest and that all of its terms and conditions, considered together as a whole, will produce fair, just and reasonable results.

14. Waiver. No Party is bound by any position asserted in the negotiation of this Stipulation, except to the extent expressly stated herein, nor shall this Stipulation be construed as a waiver of the rights of any Party unless such rights are expressly waived herein. Execution of this Stipulation shall not be deemed to constitute an acknowledgement by any Party of the validity or invalidity of any particular method, theory or principle of regulation or cost recovery, and no Party shall be deemed to have agreed that any method, theory or principle of regulation or cost recovery employed in arriving at this Stipulation is appropriate for resolving any issues in any other proceeding in the future and shall not be deemed to

constitute precedent nor prejudice the rights of any party in future proceedings. No findings of fact or conclusions of law other than those stated herein shall be deemed to be implicit in this Stipulation.

Dated effective as of the 3rd day of May, 2006.

PACIFICORP

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